

***AGADIR ACTIVITY MANAGEMENT SERVICES***

**REPORT ON PERFORMANCE INDICATORS FOR FY 2001**

**Prepared for:  
USAID/Morocco**

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**Submitted by:  
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## **Introduction**

In 1999, USAID/Morocco developed a new Country Strategic Plan (CSP) for the period FY 2000-2005. In support of this new plan, the Economic Growth Office established Strategic Objective (SO 5) with the aim of increasing opportunities for domestic and foreign investment. The technical assistance provided by Chemonics for the implementation of Agadir Activity Management Services supports SO 5. Our interventions aim at leveraging changes in the administrative environment of a public institution, and at the strengthening of the capacity of selected organizations that serve private enterprises.

More specifically, the objective of the Task Order under the GBTI IQC PCE-98-000-15-00 is to strengthen the institutional effectiveness of two key industry associations (APEFEL and GRIT) of the Souss-Massa-Draa Region and to develop Total Quality Management at the Commercial Court of Agadir. The two key associations are to be used as intermediaries to deliver business support services to small and medium enterprises in the region.

As per our task order, Chemonics is required to produce “Activity impact assessment data, in conformance with USAID Project Monitoring and Impact Assessment Plan Methodology” (Article IV – Deliverables – page 8). Upon the arrival in Morocco of Chemonics team comprising Suzie LeBlanc and Richard Dreiman in January 2001, a meeting was held at the Mission office in Rabat to discuss USAID performance monitoring methodology and requirements. The Director of the Economic Growth Office provided Chemonics with a copy of the PriceWaterhouseCoopers Performance Monitoring Plan.

Chemonics team subsequently met with Cabinet Augeco of Agadir that had been given the mandate by USAID to collect baseline information on performance indicators for the Agadir Activity Management Services. AUGECO informed us that it had organized a series of meetings with USAID partners in Agadir to inform them of the procedures to be followed. In March 2001, AUGECO reported to USAID on performance indicators. It provided baseline data and targets for key performance indicators for the year 2001. Responsibility to produce impact assessment data was then transferred to Chemonics International in June 2001. To ensure continuity in the methodology and work with our local partners, Chemonics contracted Augeco's director as a consultant and gave him the mandate to collect the required data in January 2002 and at the end of our contract, in June 2002.

Data collected on the indicators, as well as the baseline data and targeted objectives for 2001 and 2002, are presented in Annex for APEFEL, GRIT and the Commercial Court.

## **1. APEFEL**

### **1.1 APEFEL results-level Indicators**

A single results-level indicator was established PriceWaterhouseCoopers for the associations: *Total revenues from services offered by the associations to their members*. This indicator was included in the MOU that APEFEL signed with USAID, although APEFEL indicated that it would have preferred to discuss with USAID the option of revising or replacing this indicator.

In suggesting to change this indicator, APEFEL expressed concern to USAID that that *Total revenues from services offered by APEFEL to its members* was not an appropriate indicator as the notion of paying for services offered by an association was a new idea to all APEFEL members. Furthermore, it was foreign to the association staff, and APEFEL believed that more than 18 months (the length of our contract) would be needed to operate such a change in their members' mentality. The indicator was nonetheless maintained by the USAID consultants and applied in their report.

The immediate difficulty we encountered in measuring APEFEL performance in terms of offering activities for a fee relates to disaggregation of the indicator. Given that baseline data for the result-indicator was zero, (APEFEL had never offered any for-fee services), the targeted objective could not be expressed in percentage (any percent of zero is zero). Yet since it was used by USAID in its last reporting, we suggest maintaining it.

In 2001, only one paying service, a publication, was offered by APEFEL. Since then for-fee activities have been programmed for 2002, including one workshop, one international seminar and two training courses. We have nevertheless successfully introduced the concept of members and non-members paying for services provided by the association. APEFEL agreed to our suggestion and will implement this policy per the recommendations made by Daniel Malenfant (Chemonics agricultural association expert) in the coming months. Indeed, 3 out of 4 activities will be implemented before our contract ends.

The target set for year 2001 was a 15 percent increase in the revenues generated from for-fee services. We consider current efforts by APEFEL to overcome resistance among its National Board, and its first experience in selling a publication, to be positive indications that APEFEL is moving in the right direction and that the proposed increase was reasonable and have been reached.

## **1.2 APEFEL activity indicators**

APEFEL has four activity indicators. The first is *members who have paid their fees*. In year 2000, 9 agricultural groups (members of APEFEL) and 80 individuals paid their fees and the number remained the same in year 2001. Yet revenues generated from individual fees increased (see below). The difference in the amount collected varies according to the category of producers to which each group belongs (bananas or vegetables), since fees vary accordingly. In year 2001 more vegetable producers paid their fees.

As can be seen in the Annex A, we did not program any increase in the number of members who paid their fees in 2001. When discussing this with the association, we realized that it did not have any membership list or database, and no specific strategy for collecting fees. We did however forecast an increase in 2002. APEFEL will then have a membership database, as a result of project activities. Also, the employee in charge of the association relationship with its membership was trained specifically how to address this problem during third-country training in Canada that she received in October 2001. It should be mentioned that APEFEL is trying to improve its outreach to small producers and exporters. Once the Outreach Centers planned for 2002 are open, it will likely be easier for the association to collect fees from members, hence the expected increase for 2002.

A second activity indicator is *general revenue* generated from membership fees. In 2001 it increased in the case of both groups and individuals. General revenue generated from the fees paid by the group members increased from 632,377 Dirhams to 886,148 Dirhams, while

revenues generated from fees paid by individual producers increased from 90,200 Dirhams to 139,927 Dirhams.

***The increase in revenues from APEFEL's individual members is significant because it is a voluntary contribution.*** It shows that APEFEL appeals to members that produce for the national market. These are smaller producers that need much assistance from the association in terms of modernizing their operations if they hope one day to be able to export.

A third activity indicator is *fee rate for individuals*. At current time membership fees are 300 Dirhams/year for producers of bananas and 1,000 Dirhams/year for the producers of vegetables. No increase is expected. Given the current drought, and the number of producers in near bankruptcy, the association prefers not to increase its fees. Instead, APEFEL hopes to increase both its membership and the number of members who pay their fees.

The last activity indicator is the *annual expected fee per group*. The fee, 9 Dirhams/ton of crops exported, is not determined by APEFEL, so it has no control over the results. The government decides on the fees to be levied from exports. Revenue generated from fees paid by groups is therefore not voluntary and less significant when assessing the association's performance.

### **1.3 APEFEL context indicators**

One context indicator is the *gross agricultural export tonnage that originates from the region*. In 2000 the region exported a total of 146,124 tons while in 2001 it exported 136,833 tons. This decrease may be attributed to difficult conditions such as the drought (water is sometimes pumped from 200 meters deep) and the overall national problems in accessing export markets. However, the share of the region's exports in relation to overall country exports remained constant. In 2000 it accounted for 39.7% of total exports (total Moroccan exports were 343,636 tons) and in 2001, it accounted for 38.9% (total Moroccan exports for 2001 were 375,800 tons).

The second context indicator is the *number of new enterprises in the agricultural sector in the region*. Unfortunately, no reliable data are available on agricultural enterprises created. Since they do not have to register with the Registry of Commerce like other enterprises, the number can only be estimated. APEFEL members agree that new agricultural enterprises are regularly created. However, these new enterprises primarily reflect Spanish investments in the region. It should be noted for the general context in 2001 that Morocco had limited access to the European market, most likely because of the tensions with the EU that led to the non-renewal of fishing agreement between Morocco and the EU. In this context, local producers who were in financial difficulty were often offended by the access to land and water that was "given" to Europeans who sought to invest in agriculture in the Agadir region.

### **1.4 Data for Year 2002**

The export calendar for APEFEL goes from October to May. In June 2002 we will have a much sounder appreciation of both the association and the state of agriculture in the Souss-Massa-Drâa.

## 2. GRIT

### 2.1 GRIT results-level indicators

As mentioned earlier, PriceWaterhouseCoopers established a single indicator for both associations: *total revenues from services offered by the associations to their members*. In the case of GRIT, the Groupement rightly pointed to USAID that is was not within its mandate to offer services to its members, as it is a coordinating body of public and private sector entities involved in tourism promotion. It was subsequently agreed by USAID and stated in the MOU between GRIT and the Mission that the results-level indicator set by PriceWaterhouseCoopers would be replaced by an indicator that would better reflect GRIT's performance.

In preparation for end-of-year data collection, Chemonics held a working session on performance with GRIT. It was agreed that GRIT performance should be judged primarily by its ability to mobilize tourism operators for promotion and development of the Agadir region. This indicator mirrors GRIT's role and position with regard to the tourism industry, and was deemed acceptable by the GRIT management.

GRIT members claim that the Groupement can only mobilize resources to the extent that it has some leadership in the sector, and that its competence in matter of tourism is recognized. Because of the changes in the international tourism industry and the role the new technologies now plays, GRIT would have not been able to maintain its strong position without the assistance that USAID is providing to the association.

The new results-level indicator is measured by the resources GRIT is able to mobilize to undertake its various promotional and development activities. In 2001 total resources mobilized 3,223,500 Dirhams, whereas this was 2,900,000 Dirhams in 2000. This amount for 2001 included cash contributions from members of the hotel association (AIH) and travel agencies (ARATAS) in the amount of 2,135,500 Dirhams. In-kind contributions from all members (hotel rooms for Edu-tours, guides, bus, air transportation for Edu-tours and GRIT participation in Fair Trade Shows, etc.) amounted to 1,088,000 Dirhams.

Results other than the one measured above are also evidenced by GRIT's managerial changes. Parameters used by GRIT to analyze the performance of the Agadir tourist destination satisfied the Groupement's traditional way of measuring its performance. The negative diagnosis of the overall attractiveness and vitality of Agadir as a tourist destination made by our international tourism expert, James MacGregor, first brought resistance from GRIT to the changes we were suggesting. But this resistance was short lived and GRIT soon rallied around the new ideas, parameters and ways introduced by Mr. MacGregor. The change in attitude that followed illustrates well the positive impact that USAID is having in this sector. It is evidenced by the strong interest in and backing by GRIT of USAID-sponsored efforts. Suggestions made by GRIT are highly relevant to the overall strategy we agreed upon, and GRIT's energies and resources are now focused on implementing that strategy.

## 2.2 GRIT activity indicators

GRIT's activity indicators consist of various promotional events undertaken by GRIT. GRIT undertook 29 different activities in 2000, and 35 in 2001. Specifically, the indicators include:

- *EduTours*, which are groups of travel agents (usually 20) from large European travel agencies that are invited for a three-day discovery visit of Agadir
- *Fairs and trade shows in Europe*, for which GRIT organizes participation of industry members.
- *Promotional trips*, which refer to promotional tours organized by the Office Marocain du Tourism and some Chambers of Commerce
- *Other events*, including special workshops, international competition etc. that may be coordinated by GRIT.

This year the most publicized event was the visit of the candidates for the Miss France title that was sponsored by Air France. The candidates spent a week in the region to be photographed in various settings. The event appeared in several French magazines.

## 2.3 GRIT context indicators

GRIT context indicators include the *number of visitors to Agadir*, *number of beds in Agadir*, and *length of stay (total number of nights/tourist)*.

Our data show a decrease in number of visitors and length of stay over the past year. In 2000 658,363 visitors came to Agadir, whereas that number fell to 622,162 in 2001. The number of nights spent in Agadir (length of stay) was 3,700,361 in 2001, as opposed to 4,018,778 in 2000.

While the first 3 quarters of 2001 were fine for Agadir's tourism, the last quarter was badly affected by September 11 events, and accounts for the yearly decrease. The total number of beds available, however, is on the increase, from 20,296 in 2000 to 22,565 in 2001.

## 2.4 GRIT data for 2002

Context indicators for 2002 must be established in light the fact that international tourism industry has not yet recovered from September 11. Through its web site, GRIT will be able to reach out to new segments of the international market, which will contribute to the recovery of Agadir. It should be noted, however, that the GRIT web site will be fully operational only in June 2002, half way through the year and so its contribution to the 2002 recovery will be limited. We were therefore conservative in our definition of results targeted for 2002 (Annex. B).

In terms of activity indicators we estimate that GRIT will remain active and will likely increase its efforts to diversify the type of trade fairs and salons it attends.

Lastly, it should be mentioned that new associations of restaurants owners, vehicle rentals and taxi operators have asked to become members of GRIT.

### 3. THE COMMERCIAL COURT OF AGADIR

#### 3.1 Commercial Court results-level indicators

Two indicators were identified by PriceWaterhouseCoopers for Intermediate Result 5.2 *Strengthened capacity of selected institutions to foster private sector enterprise*, for the Commercial Court of Agadir.

The first indicator is the *level of institutional capacity of the Agadir Commercial Court*. This is defined along four dimensions: (a) case management; (b) judges' knowledge; (c) financial management; and (d) administrative/operational system. Each is measured on a scale from 1-5, which 1 being low capacity, 3 for improved capacity, 5 indicating high capacity.

*Case management* specifically refers to the software developed by the Ministry of Justice and staff use of it. All court staff, with the exception of one employee who refused, took computer training and integrated the new working tools, immediately making use of the equipment provided and software installed. Baseline data for year 2000 was zero since no tasks or operations at the Court were automated at that time. For 2001 the consultant evaluated that Court at being at level "2". This performance is excellent given that the software was only installed in December 2001.

*Judge's knowledge* refers to their knowledge of commercial legislation. This is expected to increase through the professional training currently being provided to the judges. Since training of the judges only began in 2002, no change in judge's knowledge could be expected in 2001. Level "1" remains an accurate assessment.

*Financial management* implies the use of software to manage the court's revenues. This has not yet been developed by the Ministry of Justice. This delay in the automation of financial operations at the court results in no change in its financial management. The baseline figure was zero.

*Administrative/operational system* refers to better management of the Court. The judges took a 40-hour course in Human Resource Management that is expected to contribute to better HRD management. Key staff at the court now generate statistics on court operations. The information is posted and discussed with the staff in various services. The implementation of a measure of performance in the workplace is likely to result in greater effectiveness and efficiency. These are concrete examples of better management, although difficult to measure. Our consultant concluded that a higher level has been reached on the scale. The baseline figure was "1" and 2001 was rated as "2".

In the methodology developed by PriceWaterhouseCoopers, the four indicators mentioned above are averaged to produce a single measure of the Court's performance. The overall average for 2000 was "0" and "1.25" in 2001.

The second indicator identified by PriceWaterhouseCoopers for the Intermediate Result 5.2 *Strengthened capacity of selected institutions to foster private sector enterprise*, is the *number of days it takes from the time a request for service is initiated to when the action is completed*. Total time required from the day a case is filed to the end notification was divided into seven steps. The number of days devoted to each one of those steps was then counted. Baseline data for year 2000 was 257 days. The figure for year 2001 is 227 days.

The time it takes to complete the seven steps outlined in the methodology is influenced by a) the automation of all court operations and b) by the knowledge of the judges. Because the automated case management software was only installed in December 2001, and no legal training for the judges was offered in 2001, we did not expect any changes. The judges did confirm, however, that the number of days it takes for "Winner Notification" has already been reduced from 40 to 30 days through the use of the software.

They also indicated that they now spend less time in their deliberations because of their access to Internet and the research they do on the Web. The Ministry of Justice subscribed to an on-line service offered by Artemis of Casablanca. Judges who have a password can access all the Moroccan legislation since 1917 (amendments, laws and bylaws) posted on Artemis Web Site. Now that the judges at the Commercial Court of Agadir work in a computerized environment, they can access that service. The number of days devoted to deliberation was 150 days in 2000 and 130 days in 2001.

According to Cabinet Conseil Maître Maria Bahnini, the sub-contractor in charge of the professional training of the judges, the time devoted to deliberations in Agadir, as in all other commercial courts of Morocco, is extremely high and must be reduced further. Maître Bahnini expects that the professional training provided to the judges will contribute to a major decrease in the number of days each judges devote to deliberation.

PriceWaterhouseCoopers indicators do not attempt to capture improvements at the Registry of Commerce. Because the Registry of Commerce accounts for 80% of all of the Court's activity, it is where efficiency improvements and changes will be most noticeable. Clients visit the Registry of Commerce to obtain various certificates and related documents requested by financial institutions. Before the automation of court activities, the production of various certificates used to take up to 50 minutes. Today it takes 5 minutes. The result is a much greater efficiency and much time saved by enterprises. By having a better control over the files, mistakes such as double registration are also avoided.

Other results are also noticeable and not necessarily captured by the two indicators mentioned above. An excellent example is the newly built reception area. Citizens can now obtain all the information they need, including consult their files and check hearing dates, in one place. The search for information using the Court's automated system through various key words such as name, file number, and lawyer's name. In the past, users had to go to various floors and departments in the Commercial Court to obtain the information they needed. This information was often dispersed among several records. With the Court's computerized network environment, the information is now shared within the court and can be readily accessed through any workstation. The immediate results are a greater efficiency and a clientele oriented service. Gathering of crowds in the corridors are avoided and users save both time and energy.

Perhaps most importantly, the idea of building a customer-friendly reception area came from the Court staff, not a consultant. The Court staff came to this conclusion when it saw the possibilities that working in a network environment provide. This example evidences that clerks and judges at the Commercial Court are integrating their new knowledge and working tools, and are beginning to look at innovative ways to modify their working environment to become more effective and efficient.



#### **4. Conclusion**

By combining information from the data collected and our observations, we see already that that all the targeted results will be reached in the course of this project. While significant changes are difficult to obtain in less than one year of activities, we are convinced that by the end of the project activities implemented with the Commercial Court of Agadir, GRIT and APEFEL will have contributed significantly and sustainably to USAID/Morocco's SO 5.

PERFORMANCE DATA TABLE										
Agadir Activity Management Services										
SO: Increased opportunities for domestic and foreign investment										
IR: Strengthened capacity of selected institutions to foster private enterprise										
(Activity Indicators and Context Indicators Included)										
5.2C	Results Statement	Indicator	Definitions - sources	Unit of Measure	Disaggregation	Baseline Value	2001 Target	2001 Actual	2002 Target	2002 Actual
	Revenues of targeted associations from services to members	Total revenues from services offered by APEFEL to its members	Refers to revenue from special services offered to members for which a fee is levied.	Moroccan Dirhams	By services: Training course 1 Other 2	nil	plus 15%	plus 15%	plus 30%	
		Total revenue	Members' fees	Dirhams		746 216	775 000	886 143		
		<u>Activity Indicators</u>								
		Number of members who have paid fees	APEFEL accounting books	Moroccan Dirhams	By categories of members:					
					Groups 1	8	9	9	9	
					Individuals 2	80	80	80	125	
		General revenue from membership fee	APEFEL accounting books	Moroccan Dirhams	By categories of members:					
					Groups 1	632 377	775 000	886 148	900 000	
					Individuals 2	90 200	100 000	90,000	175 000	
		Fee rate for individuals	APEFEL General Assembly	Moroccan Dirhams	By individuals					
					. Banana producers	300 dhs	300 dhs	300 dhs	300 dhs	
					. Vegetable producers	1 000 dhs	1 000dhs	1 000 dhs	1000 dhs	
		Annual expected fees per group	APEFEL accounting books	Moroccan Dirhams	By export tonnage	9 dhs/ton	9 dhs/ton	9 dhs/ton	9 dhs/ton	
		<u>Context Indicators</u>								

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